

TENNESSEE GENERAL ASSEMBLY  
FISCAL REVIEW COMMITTEE



FISCAL NOTE

HB 3049 - SB 2898

February 12, 2012

**SUMMARY OF BILL:** Prohibits the criteria and guidelines adopted by the State Board of Education (SBE) relating to the annual teacher and principal evaluations from using any term in which the word “expectations” appears or using a numbering or cumulative point assessment in any section or component of the evaluation system. Requires the SBE to adopt an evaluation system that uses clear and concise standards for content, learning objectives, and evaluation guidelines. Requires such standards to be made available to all teachers, principals, and evaluators before any evaluations take place. Requires the scoring and grading system for the teacher and principal evaluation system and final summative report to use the terms “exceeds standards,” “meets standards,” or “does not meet standards.” Requires an annual observance of teachers and principals with more than 10 years of teaching experience in Tennessee public schools. Requires observances twice annually of teachers and principals with six to ten years teaching experience in Tennessee public schools. Requires observances three times annually of teachers and principals with five or fewer years of teaching experience in Tennessee public schools. Authorizes additional observations of all levels of teaching experience at the discretion of the evaluator. Authorizes administrators to reduce the total number of observations on any and all teachers and principals who have 10 or fewer years of teaching experience, if school safety is compromised or if they consistently exceed standards on previous observations.

Removes the requirement that student growth data used for evaluation scoring be recommended by the Teacher Evaluation Advisory Committee and adopted by the SBE. Authorizes teachers and principals, whose student growth data reflects a high level of attainment, to use their student growth data to comprise 50 percent of their quantitative evaluation. Authorizes teachers and principals, whose student growth data is not derived from the individual student TVAAS scores, to use their qualitative evaluation data to comprise 85 percent of the evaluation.

Renders teachers, who have received an overall evaluation performance effectiveness level of “exceeds standards” for their final summative report for the last two years of their probationary period and who meet the other requirements, eligible for tenure.

## **ESTIMATED FISCAL IMPACT:**

**Increase State Expenditures - \$247,500/One-Time**

**Increase Local Expenditures – Not Significant**

**Other Fiscal Impact - According to the Department of Education, changes to the evaluation system may result in the repayment of Race to the Top (RTT) funding and the loss of future draw downs from RTT. Repayment and loss will be dependent upon the federal government's response to the changes implemented; however, the entire \$501,000,000 grant could be in jeopardy depending on the federal government's response. According to DOE, the state has not drawn down the full RTT grant amount. Any continuation of programs and related activities currently funded by RTT, if such a loss were to occur, would result in an increase in state expenditures to continue these programs. The amount of any repayment and increase in state expenditures is not quantifiable.**

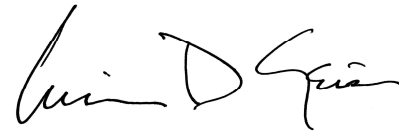
### **Assumptions:**

- A new teacher and principal evaluation system will be developed and implemented as prescribed in the bill.
- Implementing this system will require four meetings of standards-based evaluation professionals for each grade tier (elementary, middle, and high school).
- Each meeting will cost \$1,875 in travel, per diem, and meeting materials.
- The new evaluation system will be piloted at select school systems before statewide implementation.
- A total of 12 meetings will be held at a cost of \$22,500 (\$1,875 x 12).
- An initial two-day training will be conducted by an outside firm for pilot evaluators. The SBE estimates that the cost to utilize an outside firm will be \$10,000 and meeting reimbursement will be \$2,500, for a total of \$12,500.
- The SBE estimates that implementation of the new system as a pilot in selected school districts will cost \$12,500 with onsite follow-up by the firm (\$7,500) and materials and support (\$5,000).
- A statistical review and analysis of pilot data is estimated by the SBE to cost \$12,500.
- The DOE has estimated that statewide implementation will cost \$62,500 per grand division for training, meetings, and follow-up for a total of \$187,500 (\$62,500 x 3 grand divisions).
- The total increase in one-time state expenditures will be \$247,500 (\$22,500 development + \$12,500 pilot program training + \$12,500 pilot implementation + \$12,500 pilot review + \$187,500 statewide implementation).
- Tennessee has not drawn down the full \$501,000,000 in RTT funding.

- According to DOE, implementation of a new teacher and principal evaluator system may result in the loss of federal Race to the Top funding. Any loss in funding will be dependent upon the actions of the federal government in response to the changes in Tennessee's evaluation system but could result in repayment of the portion of the RTT funding that has been drawn down and the loss of future payments that would have been received. The amount of any repayment is not quantifiable.
- According to DOE, the full \$501,000,000 could be in jeopardy.
- If RTT funding is lost, the state would increase expenditures to keep programs and activities previously funded through the RTT operational. The total amount of any increase in state expenditures is not quantifiable.
- Any increase in local expenditures as a result of implementing the new evaluation system and related requirements will be not significant.

### **CERTIFICATION:**

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, appearing to read "Lucian D. Geise".

Lucian D. Geise, Executive Director

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